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July 9, 2010

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

***Re: CC Docket No. 96-128 - In the Matter of the Pay Telephone Reclassification
and Compensation Provisions of the Telecommunications Act of 1996***

Dear Ms. Dortch:

On behalf of Level 3 Communications, LLC ("Level 3") and Broadwing Communications, LLC ("Broadwing") (collectively, the "Company"), please find attached the Independent Accountants' Report by KPMG LLP regarding compliance with payphone compensation rules. This report is submitted on behalf of the Company pursuant to 47 C.F.R. § 64.1320, as further discussed in the FCC Report and Order released on October 3, 2003 in the above-referenced docket.

Sincerely yours,

/s/ electronically signed

Michael R. Romano

Attachments

cc (by e-mail):

William P. Hunt, III, Esq.
Greg Rogers, Esq.
Tamar Finn, Esq.

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Independent Accountants' Report

The Board of Directors
Level 3 Communications, LLC:

We have examined management's assertion, included in the accompanying *Report of Management on Compliance with Applicable Requirements of 47 C.F.R. Sections 64.1310 and 64.1320*, that Level 3 Communications, LLC, (Level 3) and its subsidiary Broadwing Communications, LLC (Broadwing) (together the Company), complied with 47 C.F.R. Sections 64.1310(a)(1), 64.1320(c) and 64.1320(d) of the Federal Communications Commission's (FCC) Rules and Regulations and related requirements contained in CC Docket No. 96-128 as of June 28, 2010. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements as of June 28, 2010, is fairly stated in all material respects.

This report is intended solely for the information and use of the Company, the FCC, and applicable Facilities-Based Long Distance Carriers and Payphone Service Providers and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

June 28, 2010



**Report of Management on Compliance with Applicable Requirements
of 47 C.F.R. Sections 64.1310 and 64.1320 of the Federal Communications Commission's
Rules and Regulations**

Management of Level 3 Communications, LLC. ("Level 3"), and Broadwing Communications, LLC. ("Legacy Broadwing"), a wholly owned subsidiary of Level 3 Communications, LLC. (together herein after referred to as the "Company"), is responsible for establishing and maintaining the internal controls over its pay telephone call tracking system necessary for compliance with 47 C.F.R. Sections 64.1310 (a)(1), 64.1320 (c) and 64.1320 (d) of the Federal Communications Commission's (FCC's) Rules and Regulations and related requirements contained in, CC Docket No. 96-128, regarding *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*.

Management has evaluated the Company's compliance with the applicable requirements of 47 C.F.R. Section 64.1310 (a) (1), using the criteria in 47 C.F.R. section 64.1320 (c) of the FCC's Rules and Regulations as the framework for the evaluation. Based on this evaluation, we assert that as of June 28, 2010, the Company complies with the applicable requirements of 47 C.F.R. Section 64.1310 (a) (1) in all material respects as described below. Further, the Company has disclosed all material changes since June 28, 2010 to its auditors concerning the call tracking system that must be disclosed in accordance with 47 C.F.R. Section 64.1320 (f) of the FCC's Rules and Regulations. These material changes do not adversely affect the Company's ability to comply with 47 C.F.R. Section 64.1310 (a) (1). The Company provides the following information regarding its compliance.

Level 3 acts as the Completing Carrier¹ in the following call scenarios:

➤ 8XX

Feature Group D (FGD):

- Wiltel: On-net Origination to Plain Old Telephone Service (POTS) termination – 8S
- Wiltel: On-net Origination to Dedicated Access Line (DAL) termination – 8D
- Wiltel: On-net Origination to United States Advanced Network (USAN) – 8E
- NA SS: On-net Origination to IP DAL Term – 8I (North American Soft Switch)
- Viper: On-net Origination to IP DAL Term – Level 3 remit bridge
- Viper: On-net Origination to IP DAL Term – AOL MM bridge
- Telcove: On-net Origination to POTS term, TF Transport
- ICG: On-net Origination to DAL term, TF Transport

¹ As defined in the FCC Report and Order in CC Docket No. 96-128, released on October 3, 2003, regarding *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, paragraph 64.1300 (a), a Completing Carrier is a long distance carrier or switch-based long distance reseller that completes a coin-less access code or subscriber toll-free payphone call or a local exchange carrier that completes a local, coin-less access code or subscriber toll-free payphone call.

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Wide Area Telecommunications Service (WATS):

- Wiltel: Off-net Origination CIC 0333 to POTS term - 8S
- Wiltel: Off-net Orig CIC 0333 to DAL term - 8D

Legacy Broadwing acts as the Completing Carrier¹ in the following call scenarios:

➤ **8XX**

Feature Group D (FGD):

- On-net Origination to POTS term, TF Transport
- On-net Origination to DAL term, TF Transport
- On-net Origination to BW USAN, TF Transport

Wide Area Telecommunications Service (WATS):

- Off-net Origination CIC 0555/0222 to POTS term
- Off-net Origination CIC 0555/0222 to DAL term
- Off-net Origination CIC 0555/0222 to USAN

All assertions for the Company are from the point that the Company has visibility to the call tracking data.

The Company uses National Payphone Clearinghouse ("NPC") to perform payphone compensation settlement. Certain assertions included in this report depend in whole or in part upon NPC performance. In support of these assertions, the Company relies upon a contractual agreement between the Company and NPC ("NPC Contract"), which requires NPC's compliance with CC Docket No. 96-128. In addition, NPC has provided the Company an independent third-party audit report to verify that effective controls and procedures relating to these assertions have been established and will be maintained by NPC. The Company has not conducted an independent evaluation and makes these assertions based solely on the NPC Contract and third-party audit report of NPC's operations.

The assertions for the Company are made starting with the initial point in call record processing at which the Company has visibility to the call tracking data. The Company represents the following facts regarding its role as the Completing Carrier, which are in fulfillment of the obligation of the Company as described at 47 C.F.R. section 64.1320 (c):

A. The Company's procedures accurately track calls to completion, as follows:

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Rules and Regulations**

1. The Company's definitions and procedures for establishing the "per-call rate" are in compliance with FCC rules.
 2. The Company's definition of a "Compensable Call"(payphone-originated call that completes over the Company's network in which the Company identifies itself as the Completing Carrier) is in compliance with FCC rules.
 3. The Company's vendor, NPC, is able to generate the following reports on a quarterly basis, and the third-party audit report of NPC verified that NPC's systems are able to generate the reports and report data for which NPC is responsible, as follows:
 - a) A list of the toll free and access numbers dialed and completed from each Payphone-Service Provider's ("PSP") payphones along with the Automatic Number Identification ("ANI") digits for each payphone.
 - b) The volume of calls for each toll free and access number that was completed by the Company.
 - c) The name(s), address (es), and phone number(s) of the person(s) responsible for handling the Company's payphone compensation.
 - d) The Carrier Identification Code ("CIC") or trunk routing group of all facilities-based long distance carriers that routed calls to the Company, categorized according to toll-free and access code numbers.
 4. The Company's data storage requirements are in compliance with requirements established by the FCC ruling of 27 months.
 5. The Company relies on NPC processes to identify PSPs. The third-party audit report of NPC processes verified that NPC procedures for identifying PSPs are complete and accurate.
 6. The Company relies on NPC for identifying payphone ANIs. The third-party audit report of NPC processes verified that NPC procedures for identifying payphone ANIs are complete and accurate.
- B. The Company has identified persons responsible for tracking, compensating, and resolving disputes concerning payphone-completed calls, as follows:**

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of 47 C.F.R. Sections 64.1310 and 64.1320 of the Federal Communications Commissions
Rules and Regulations**

1. The Company has identified personnel responsible for drafting and maintaining the business requirements associated with call tracking, payphone compensation and resolving disputes concerning payphone-completed calls.
 2. The Company has identified personnel responsible for the development and maintenance of systems used in the collection and reporting of payphone call data, and the third-party audit report of NPC verified that NPC has designated personnel responsible for the development and maintenance of the systems under their control used in the collection and reporting of payphone call data.
 3. The Company has identified personnel responsible for the implementation and maintenance of procedures that are utilized in creating final compensation data sets, and the third-party audit report of NPC verified that NPC has designated personnel responsible for the implementation and maintenance of procedures under their control that are utilized in creating final compensation data sets.
 4. The Company has identified personnel responsible for developing compensation-tracking reports, and the third-party audit report of NPC verified that NPC has designated personnel who are responsible for developing compensation-tracking reports under their control.
 5. The Company has identified personnel who are responsible for payphone compensation dispute resolution, and the third-party audit report of NPC verified that NPC has designated personnel who are responsible for the payphone compensation dispute resolution under their control.
 6. The Company has identified personnel responsible for managing coordination with the payphone clearinghouse services provider, NPC.
- C. The Company has effective data monitoring procedures, as follows:**
1. The Company relies on NPC to prepare quarterly reports on payphone call counts and numbers dialed and completed, and the third-party audit report of NPC verified that NPC has the ability to prepare the quarterly reports on payphone call counts, PSP identities and numbers dialed and completed under their control.
 2. The Company performs data monitoring procedures on call record volumes entering the payphone compensation systems.
 3. The Company has the ability to investigate and resolve PSP disputes.

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D. The Company adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone call tracking ability, as follows:

1. The Company has security controls in place to control access to and monitor call-tracking data, and the third-party audit report of NPC verified that NPC has controls in place to control access to and monitor call-tracking data.
2. The Company has security controls in place to control access to and monitor the payphone compensation system, and the third-party audit report of NPC verified that NPC also maintains such controls.
3. The Company has personnel who are responsible for making software changes that affect payphone compensation systems, and the third-party audit report of NPC verified that NPC also has personnel who are responsible for making software changes.
4. The Company has established protocols to implement and test software changes affecting payphone compensation, and the third-party audit report of NPC verified that NPC also has personnel who are responsible to implement and test software changes.
5. The Company has application controls in place to ensure that the voice network changes, external to payphone compensation, do not negatively impact payphone compensation.

E. The Company creates a compensable payphone call file by matching call detail records against payphone identifiers, as follows:

1. The Company utilizes switch data and database look-ups to populate the date, originating ANI, dialed number, and aggregate data into a Compensable Call File.
2. Compensable calls for Level 3 include the following:
 - Coinless calls originated at a payphone and completed to the Company's 8XX toll free end-user customers.Compensable calls for Legacy Broadwing include the following:
 - Coinless calls originated at a payphone and completed to the Company's 8XX toll free end-user customers.

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3. The Company uses payphone specific identifiers (information-digits) and a payphone ANI list provided by NPC to identify a compensable payphone call record, and the third-party audit report of NPC verified that NPC also maintains such identifiers.
4. The Company applies validation and control procedures to compile the Compensable Call File.
5. The Company uses a "per-call rate" of \$.494 to compensate PSPs, and the confirmation letter from NPC verified that NPC compensates payphone providers based on this rate.

F. The Company has procedures to incorporate call data into required reports as follows:

1. The Company's vendor, NPC, is able to generate required reports, and the third-party audit report of NPC verified that NPC's systems are able to generate for the systems under their control, the following reports on a quarterly basis:
 - a) NPC creates a list of the toll free and access numbers dialed and completed from each PSP's payphones along with the ANI for each payphone.
 - b) The volume of calls for each toll free and access number that was completed by the Company.
 - c) The name(s), address(es), and phone number(s) of the person(s) responsible for handling the Company's payphone compensation.
 - d) The CIC or trunk routing group of all facilities-based LD carriers that routed calls to the Company, categorized according to toll-free and access code numbers.
2. The Company's vendor, NPC possesses a valid list of payphone owners associated to ANIs.

G. The Company has implemented procedures and controls needed to resolve payphone-compensation disputes, as follows:

1. The Company's data storage requirements are in compliance with requirements established by the FCC ruling of 27 months.
2. The Company has the ability to investigate and resolve PSP disputes.

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3. The Company has designated personnel who are responsible for payphone compensation dispute resolution.
4. The Company will file a statement that includes the names, addresses and phone numbers for persons responsible for handling payments and resolving disputes. This statement will be updated within 60 days of any changes of such persons. The statement will be filed with the FCC Secretary and made available to facilities-based LD carriers and PSPs.

H. The Company contracted an independent third-party auditor to test critical controls and procedures to verify that errors are immaterial as follows:

1. The Company has procedures to identify payphone-originated calls, and the third-party audit report of NPC verified that NPC also has such procedures.
2. The Company has procedures to capture dial-around calls.
3. The Company has procedures to exclude incomplete calls from the Compensable Call File.
4. The Company has procedures to accurately populate call record data in the Compensable Call File.

I. The Company has in place adequate and effective business rules for implementing and paying payphone compensation, including rules used to: (i) identify calls originated from payphones; (ii) identify compensable payphone calls; (iii) identify incomplete or otherwise non-compensable calls; and (iv) determine the identities of the payphone service providers to which the Company owes compensation, as follows:

1. The Company has business rules that identify calls originated from payphones, and the third-party audit report of NPC verified that NPC also has such business rules.
2. The Company has business rules that identify compensable payphone calls.
3. The Company has business rules that identify incomplete or otherwise non-compensable calls.
4. The Company's vendor, NPC, has business rules to determine the identities of the PSPs to which the Company owes compensation.

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Level 3 – Required Disclosures per 64.1320(d)

Level 3 represents the following facts regarding its role as the Completing Carrier. These facts are in fulfillment of the obligations of Level 3 as specified at 47 C.F.R. Section 64.1320 (d):

1. Level 3's criterion for identifying calls originating from payphones includes call record information-digit identification of 00, 07, 27, 29, or 70.
2. Level 3's criteria for identifying compensable payphone calls include all calls identified with (1) information-digits of 00, 07, 27, 29 and 70, (2) have an answer type of 1, 2, 3, 4, 5, 6, 11, or 13, (3) are not originated from invalid trunk groups, (4) call duration is greater than 0, (5) the dialed number contains 800, 822, 833, 844, 888, 877, 866 or 855 and (6) a compensable code not equal to 13.
3. Level 3's criteria for identifying incomplete or otherwise non-compensable calls include: (1) calls that do not have a payphone info-digit (2) calls with invalid answer types, (3) calls originating from invalid trunk groups, (4) calls with call duration equal to 0, (5) call with invalid dialed numbers and (6) calls with compensable codes equal to 13.
4. Level 3's criteria used to determine the identities of the PSPs to which Level 3 owes compensation are established by NPC, Level 3's clearinghouse for settlements. ANIs are used to identify PSPs.
5. The type of information that Level 3 needs from the PSPs in order to compensate the PSPs is determined by NPC. The type of information that the NPC needs in order to compensate PSPs are ANIs.
6. Level 3 has procedures to exclude commissioned calls from the compensation file submitted to NPC.

Legacy Broadwing – Required Disclosures per 64.1320(d)

Legacy Broadwing represents the following facts regarding its role as the Completing Carrier. These facts are in fulfillment of the obligations of Legacy Broadwing as specified at 47 C.F.R. Section 64.1320 (d):


1. Legacy Broadwing's criterion for identifying calls originating from payphones includes call record information-digit identification of 00, 07, 25, 27, 29, or 70.

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2. Legacy Broadwing's criteria for identifying compensable payphone calls include all calls identified with (1) information-digits of 00, 07, 25, 27, 29 and 70 or calls without information-digits of 00, 07, 25, 27, 29 or 70 that are found in the NPC's ANI listing, (2) call duration is greater than 0, (3) the dialed number contains 800, 855, 866, 888, or 877, (4) calls with a destination type that does not equal '5' and (5) calls with a terminating number with the last seven digits that is not '5551212'.
3. Legacy Broadwing's criteria for identifying incomplete or otherwise non-compensable calls include: (1) calls that do not have a payphone information-digit of 00, 07, 25, 27, 29, or 70 and are not found in NPC's ANI listing (2) calls with call duration equal to 0, (3) calls with a destination type that equals '5' and (4) calls with a terminating number with the last seven digits equal to '5551212'.
4. Legacy Broadwing's criteria used to determine the identities of the PSPs to which Legacy Broadwing owes compensation are established by NPC, Legacy Broadwing's clearinghouse for settlements. ANIs are used to identify PSPs.
5. The type of information that Legacy Broadwing needs from the PSPs in order to compensate the PSPs is determined by NPC. The type of information that the NPC needs in order to compensate PSPs are ANIs.
6. Legacy Broadwing has procedures to exclude commissioned calls from the compensation file submitted to NPC.

Level 3 Communications, LLC.
Broadwing Communications, LLC.

Dated: June 28, 2010


Eric Mortensen
Senior Vice President and Corporate
Controller